



AZ COMPENSATION NETWORK

June 2018

Agenda

- Introductions
- Update on “Communications Site”
- Agency Case Study: Implementing a Merit Incentive Program (AHCCCS)
- Equal Pay Act Self Audit (Part 2 of ??)
- Grades, Ranges, Widths, Oh My
- Roundtable: A Variety of Topics
- July Meeting request



Introductions



Name: Greg Carmichael

Agency: ADOA

Describe the best event
(museum/gig/play/game) you've ever been to?



Communications

<http://hr.az.gov/AZCompNet/AZCompNetwork.asp>

Arizona Learning Center

Benefits

Career Center

Classification/Compensation

Employee Recognition

Employment

HR Agency Directory

Intern Program

Forms and Templates

Performance Management

Personnel System Reform

Rules and Rulemaking

Policy & Legislative Services

Professional Development

Shared Services



AZ COMPENSATION NETWORK

Vision, Mission, Goals, Strategy

Vision

Respected HUB of compensation knowledge to define, apply and disseminate information about state compensation

Knowledge
 Planning
 Standardization
 Policy
 Business (Market Intelligence)
 Information/Network
 Information (Employees/Supervisors)
 Information with all agencies
 & Communication for Exec Leadership
 Resources
 Tools


Goals

Discuss Hiring \$ and Compression Increase Knowledge
 Best practices in AZ State Gov. (What are other agencies doing?)
 Establish repository of actionable data analytics
 Incentives vs raises
 Come up with Standards (Specifically, characteristics should be considered when considering compensation)
 Complete Classification PD project (BRING it to the Review guidelines and compare to state law (Explain lawmakers to make \$ changes)
 Make it easier (simplify)
 Standard Work


Education for agency staff with C&C duties
 Directory (including contact information, reporting of & resources)
 Baseline of knowledge (glossary, tools, compensation bulletin board, communications, online resource?)
 In-house training for new class/comp HR professionals
 More compensation training for people who have been a long time too
 Examples of other agency processes that work
 "to access with facts and figures-similar information

Register for future sessions (held on the third Tuesday of each month in our 'Compensation Network Monthly Meeting'. You must be a member of the network to register for these sessions. If you're unable to find the classes, please contact Sheila

at skrueger@azdoa.gov by searching for 'ADCOMPNNM' or 'AZ Compensation Network Monthly Meeting'. You must be a member of the network to register for these sessions. If you're unable to find the classes, please contact Sheila

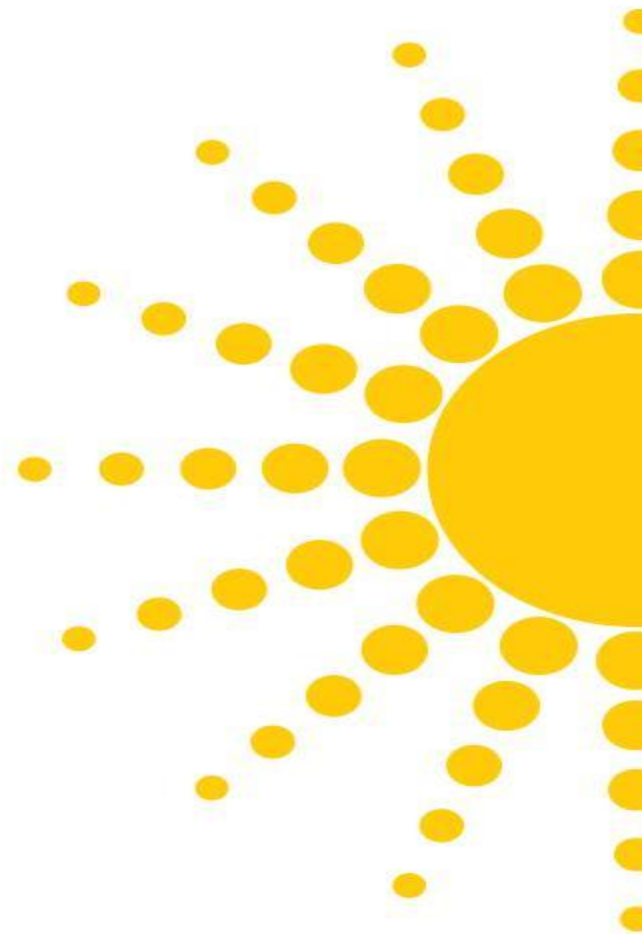


Agency Case Study



Implementing a Merit Incentive Program

Lavonne Rosales
HR Business Consultant



3 keys to successful implementation

- ✓ Communication

- ✓ Centralized access

 - ❖ Instructions, templates , forms, information

- ✓ Established timelines



AHCCCS has 11 divisions consisting of 1,093 employees.

From: Rosales, Lavonne Sent: Fri 9/1/2017 5:00 PM
To: Adams, Markay; Betlach, Tom; Carpio, Elizabeth; Devlin, Matt; Ellis, Penny; Hearn, Dana; Kohler, Beth; Krotenberg, Tricia; Lippert, Daniel; Lorenz, Elizabeth; Ormsby, Sharon; Robles, Roxanne; Rountree, Virginia; Salek, Sara; Silver, Shelli; Tegen, Jeffery
Cc: Cummings, Brad; **AHCCCS Payroll**; Bennett, Andrea; Brunell, Brooke; Dennis, Patty; Fithen, Kimberly; Gomez, Edward; Leidel, Julie; Lerma, Lupe; Leyvas, Kristen; Moncayo, Sherri; Raymond, Laura; Williams, Mac
Subject: Incentive Awards for FYE 2018
Message 1_Instructions for Incentive Award Nominations.docx

The schedule for submitting incentive award nominations is published in the **G Drive under ACTIONS_HRD**. The instructions for finding the information for your division how to submit nominations are attached to this email and also available in the G Drive.

There are 19 pay periods in which nominations can be submitted for this fiscal year. The due date for the first submission date is Friday, **September 8, 2017**, if you wish to submit any nominations at that point in time. The Director's SPOT Awards are being planned for November of this year and May of next year with the actual dates to be determined.

Below is each of your division's allocation monies. This information is also included in the G Drive.

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM EMPLOYEE INCENTIVE FUNDING AVAILABILITY FISCAL YEAR ENDING 2018												
FYE 2018 Allocation	OOD	HRD	OIG	IAC	DHCM	DHCAA	ISD	DBF	DFSM	OALS	DMS	TOTAL
Remaining Available	49,300	11,800	73,100	1,900	140,700	26,000	137,400	59,250	82,600	33,400	396,300	1,011,750
As of 9/11/17												

Please feel free to contact Brooke Brunell at 602.417.4485 or myself for any questions you may have regarding the incentive nomination process.

Best regards,

Lavonne Rosales, SHRM-SCP, SPHR
HR Business Consultant
AHCCCS Human Resources & Development
701 E. Jefferson, MD-7400, Phoenix, AZ 85034
Direct: (602) 417-4589 Fax: (602) 253-6177
E-mail: Lavonne.Rosales@azahcccs.gov

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Instructions for Incentive Award Nominations (3 pages)

A secure folder in the G Drive has been established for each division with authorized users for the purpose of obtaining information and submitting nominations.

Nomination requests are to be submitted by each division into the G Drive in the ACTIONS_HRD folder.



Name

- 12-OOD
- 21-HRD
- 31-OIG
- 32-IAC
- 41-DHCM
- 42-DHCAA
- 52-ISD
- 61-DBF
- 71-DFSM
- 81-OALS
- 91-DMS
- INCENTIVE DOCUMENTS FYE 2018

Within each division folder, you will find an INCENTIVES folder

Name

- CARs & PDs
- INCENTIVES
- RECRUITMENT FUTURE HIRES
- SALARY CHANGE REQUESTS



Instructions for Incentive Award Nominations

(Eligibility criteria based on SPS Compensation Guidelines)

In your division INCENTIVES folder is an **Eligibility Verification & Incentive Tracking Log**.

NOTE: The Eligibility Verification & Incentive Tracking Log is **CONFIDENTIAL** and is not for distribution.

The division HR Business Partner is responsible for completing the eligibility verification process and updating and maintaining the log for each nominee. New employees will have to be added to the tracking log throughout the fiscal year.

Within the INCENTIVES folder is a specific pay day (PD) folder for request forms to be submitted. There will be 19 pay dates for processing incentive awards.

Name

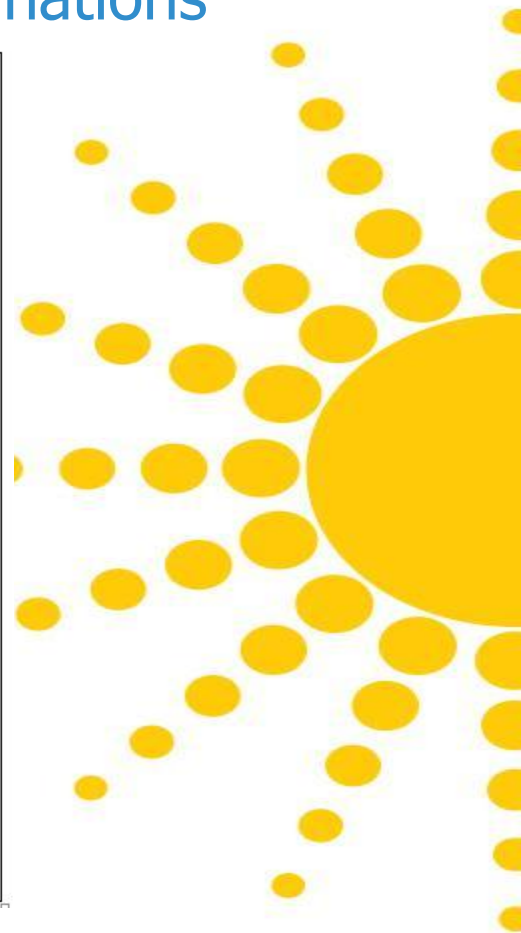
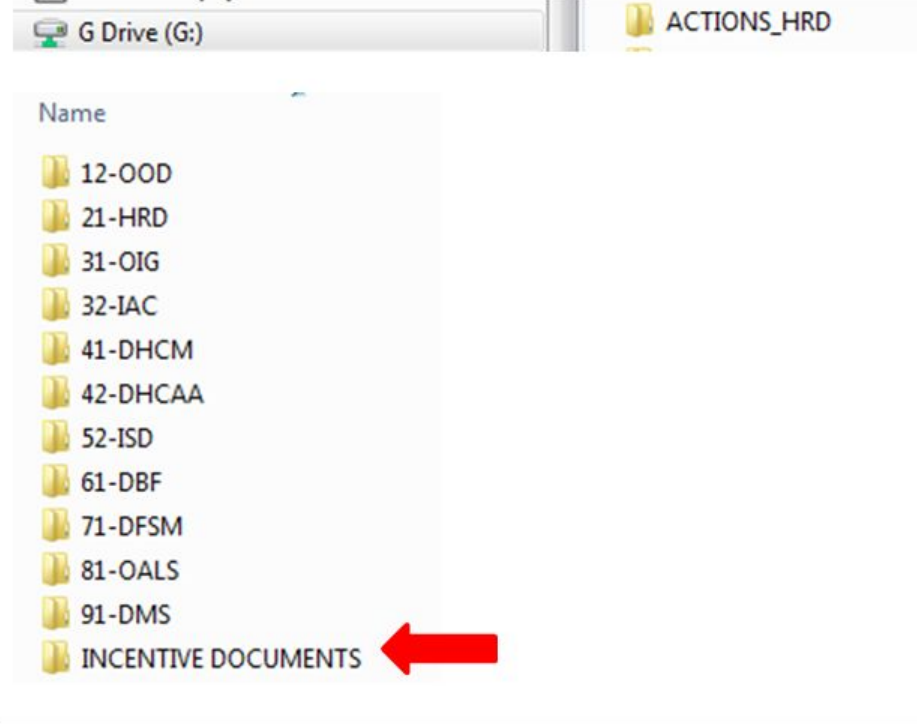
- 1_PD 09-28-17
- 2_PD 10-12-17
- 3_PD 10-26-17
- 4_PD 11-09-17
- 5_PD 11-23-17
- 6_PD 12-07-17
- 7_PD 12-21-17
- 8_PD 01-04-18
- 9_PD 01-18-18
- 10_PD 02-01-18
- 11_PD 02-15-18
- 12_PD 03-01-18
- 13_PD 03-15-18
- 14_PD 03-29-18
- 15_PD 04-12-18
- 16_PD 04-26-18
- 17_PD 05-10-18
- 18_PD 05-24-18
- 19_PD 06-07-18

 HRD Eligibility Verification & Incentive Tracking Log



Instructions for Incentive Award Nominations

Instructions for submitting incentive award nominations along with the request forms, notification templates and timelines are located in the G Drive under ACTIONS_HRD in the Incentive folder under INCENTIVE DOCUMENTS.



Instructions for Incentive Award Nominations

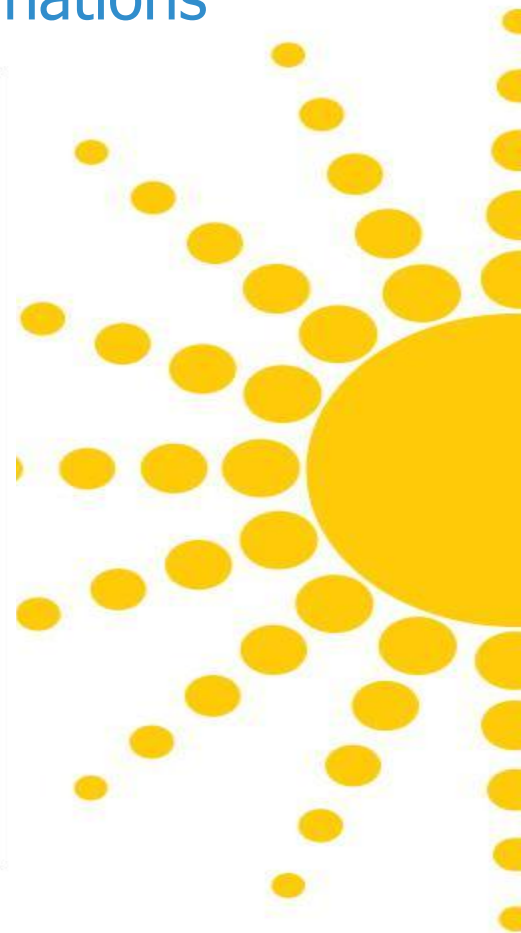
INCENTIVE DOCUMENTS

Name

- 1_Instructions for Incentive Award Nominations
- 2_Incentive Awards Timelines FYE 2018
- 3_Division Allocations Remaining Incentive Funds
- A_CRI Request Form
- AA_CRI Award Letter FYE 2018_Template
- B_SPOT Request Form
- BB_SPOT Award Letter FYE 2018_Template
- C_Director's SPOT Incentive Request Form
- CC_Director's SPOT Award Letter FYE 2018_Template
- Meritorious Leave Award Letter 2018_Template
- MERITORIOUS LV Request Form

You will find your division remaining incentive allocation here.

The request forms include an Eligibility Criteria tab that identifies eligibility requirements and guidelines for award nominations.



Instructions for Incentive Award Nominations

Advise managers/supervisors preparing justifications for nominees, to keep the justification simple and to the point, maximum of 8 lines. The justification column expands vertically when typing in the justification.

CRI Nomination Request Form

Division: _____

Pay Date: _____

HR Business Partner: _____

Assistant Director: _____

Roxanne Robles, CHRO

Date Approved: _____

Date Approved: _____

Check all that apply.

EIN	First Name	Last Name	Award Amount	Unique or Highly in Demand	Detriment to Core Operations	Hard to Fill Position	Earning Less Than Market	High Turnover Rate	Other	Provide a brief justification in support of the reasons checked. Maximum of 8 Lines - Font Size 9 Calibri (column expands) This column expands vertically when entering justification.

APPROVALS:

The date the division AD approves the nominations is recorded in the request. The request is then submitted into the division's G Drive folder. Once reviewed/approved by HRD, approval date will be recorded on the request. Divisions will be notified within 5 days after due date to HRD of approval/disapproval to provide sufficient notification time to recipients.

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Eligibility Verification & Incentive Tracking Log

- Human Resources provides each division with a tracking log for the incentive process.
- The division HR Business Partner is responsible for completing the eligibility verification process and updating and maintaining the log for each nominee.
- Eligibility is based on the SPS Compensation Guidelines
 - AHCCCS requirement: Agency hire date must > 6 months.
- New employees will have to be added to the tracking log throughout the fiscal year.

Eligibility Verification & Incentive Tracking Log

ELIGIBILITY VERIFICATION & INCENTIVE TRACKING LOG FYE 2018							VERIFIED BY DIVISION HR PARTNER			
Process Level	DEPT	EIN	Employee Last Name, First Name	Job Description	Status Code	Status Code Description Must be UNCOVERED	Agency Hire Date-must be > 6 mos	Y=Yes N=No Formal discipline within past 6 mos?	Enter most recent MAP score (at the time of the incentive payment). Must be "meets expectations" or better.	
HCA21	A2101	141501	WILSON, MARY	ACCOUNTANT 1	C1	UNCOVERED W/BN	08/05/13	N	3.00	
HCA21	A2101	171664	ROSS, DIANA	ACCOUNTANT 2	C1	UNCOVERED W/BN	06/27/16	N	2.67	
HCA21	A2101	118608	BALLARD, FLORENCE	ACCOUNTANT 3	C1	UNCOVERED W/BN	08/02/10	N	2.50	
HCA21	A2101	118608	GAYE, MARVIN	ACCOUNTANT 4	C1	UNCOVERED W/BN	08/02/10	N	2.39	

Process Level	DEPT	EIN	Employee Last Name, First Name	Base Salary (Annualized \$)	CRI & SPOT Combo 10% Max of Base Salary	Director's SPOT Award \$1,250	Pay Date Paid	SPOT Award 5% max of base	Pay Date Paid	Conditional Retention Award 5% max of base	Pay Date Paid	Meritorious Service Leave (Hours)	Pay Date Leave Awarded	Remainder of 10% base
HCA21	A2101	141501	WILSON, MARY	\$ 40,000	\$ 4,000			\$ 1,563	05/24/18			16	02/15/18	\$ 2,437
HCA21	A2101	171664	ROSS, DIANA	\$ 45,000	\$ 4,500	\$ 1,250	11/09/17							\$ 3,250
HCA21	A2101	118608	BALLARD, FLORENCE	\$ 50,000	\$ 5,000			\$ 3,000	05/24/18	\$ 2,500		11/09/17		\$ (500)
HCA21	A2101	118608	GAYE, MARVIN	\$ 55,000	\$ 5,500			\$ 2,750	5/4/2018			05/24/18		\$ 2,750

Employee Incentive Funding Availability

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM												
EMPLOYEE INCENTIVE FUNDING AVAILABILITY												
FISCAL YEAR ENDING 2018												
Pay Date: 09/28/17	OOD	HRD	OIG	IAC	DHCM	DHCAA	ISD	DBF	DFSM	OALS	DMS	TOTAL
Funding Available	\$ 49,300	\$ 11,800	\$ 73,100	\$ 1,900	\$140,700	\$ 26,000	\$137,400	\$ 60,500	\$ 82,600	\$ 33,400	\$396,300	\$1,013,000
# of CRI Awards												-
Cost of CRI Awards												-
# of SPOT Awards						4		1				5
Cost of SPOT Awards						3,000		1,250				4,250
# of EM SPOT Awards												-
Cost of EM SPOT Awards												-
Cumulative Total CRIs	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Total SPOTs	-	-	-	-	-	4	-	1	-	-	-	5
Cumulative EM SPOTs	-	-	-	-	-	-	-	-	-	-	-	-
Remaining Available	49,300	11,800	73,100	1,900	140,700	23,000	137,400	59,250	82,600	33,400	396,300	1,008,750
Pay Date: 06/07/18	OOD	HRD	OIG	IAC	DHCM	DHCAA	ISD	DBF	DFSM	OALS	DMS	TOTAL
Funding Available	\$ 12,627	\$ -	\$ -	\$ -	\$ 3,000	\$ 6,000	\$ 4	\$ -	\$ 3,100	\$ 1,680	\$ 1,250	\$ 27,661
# of CRI Awards												-
Cost of CRI Awards												-
# of SPOT Awards					3	11			3	1	1	19
Cost of SPOT Awards					3,000	6,000			3,100	1,600	1,250	14,950
# of EM SPOT Awards												-
Cost of EM SPOT Awards												-
Cumulative Total CRIs	-	-	9	1	15	-	106	11	23	3	357	525
Cumulative Total SPOTs	10	9	42	1	52	32	-	14	32	21	74	287
Cumulative EM SPOTs	3	2	3	-	10	2	10	4	6	2	26	68
Remaining Available	12,627	-	-	-	-	-	4	-	-	80	-	12,711

Timelines

SPOT & Critical Retention Incentives

Submission Timelines for Requests

INSTRUCTIONS

Requests are to be submitted in the G:Drive (G:) under ACTIONS_HRD in your division folder under INCENTIVES.

In order for incentives to be paid on the following pay dates, requests must be submitted within established timelines.

	Submit to HRD	PPE Date	Pay Date	Comments
9	Submit by: 12/29/17	01/12/18	01/18/18	
10	Submit by: 01/12/18	01/26/18	02/01/18	
11	Submit by: 01/26/18	02/09/18	02/15/18	
12	Submit by: 02/09/18	02/23/18	03/01/18	
13	Submit by: 02/23/18	03/09/18	03/15/18	
14	Submit by: 03/09/18	03/23/18	03/29/18	
15	Submit by: 03/23/18	04/06/18	04/12/18	
16	Submit by: 04/06/18	04/20/18	04/26/18	
17	Submit by: 04/20/18	05/04/18	05/10/18	
18	Submit by: 05/04/18	05/18/18	05/24/18	
19	Submit by: 05/18/18	06/01/18	06/07/18	

Timelines for Changing Tax Withholding (WH) in Conjunction with Incentive Awards					
Refer to this schedule when preparing award notice.					
	PAY DATE	Change WH by	Day	Change WH back on	Day
9	01/18/18	01/12/18	Friday	01/17/18	Wednesday
10	02/01/18	01/26/18	Friday	01/31/18	Wednesday
11	02/15/18	02/09/18	Friday	02/14/18	Wednesday
12	03/01/18	02/23/18	Friday	02/28/18	Wednesday
13	03/15/18	03/09/18	Friday	03/14/18	Wednesday
14	03/29/18	03/23/18	Friday	03/28/18	Wednesday
15	04/12/18	04/06/18	Friday	04/11/18	Wednesday
16	04/26/18	04/20/18	Friday	04/25/18	Wednesday
17	05/10/18	05/04/18	Friday	05/09/18	Wednesday
18	05/24/18	05/18/18	Friday	05/23/18	Wednesday
19	06/07/18	06/01/18	Friday	06/06/18	Wednesday

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Nomination Request Form

[illegible]

Nomination Request Form Eligibility Criteria

CRI Incentive Request

Eligibility

In order to be eligible for a CRI incentive, the employee must meet all of the following eligibility criteria. It is the responsibility of the division to input and verify eligibility criteria on the Division Incentives Spreadsheet.

- * Uncovered (contact HRD if employee being considered is out on FMLA)
- * Employed with AHCCCS a minimum of 6 consecutive months
- * No formal discipline in the past 6 months
- * Most recent MAP evaluation overall rating "meets expectations" or better

**** If the employee is categorized as a supervisor or manager, the nominee must have demonstrated the Arizona Management System (AMS) leader behaviors as outlined in the AMS Role Profile. Click on the link below to obtain the AMS Role Profile, then click on Agency Toolbox.**

<https://ams.az.gov/resources>

Eligibility verification is on a separate spreadsheet located in the G Drive under your respective division in the Incentives folder. It is the responsibility of the division HR Business Partner to complete the verification process and maintain the Eligibility Verification & Incentive Tracking Log for each nominee.

Reason(s) for Nomination

Assistant Directors may nominate employee, teams or work unit for an incentive for situations considered above and beyond normal day-to-day work. Check all that apply.

- * Work in a unique or highly in-demand profession. Example: Actuaries
- * Vacancies or the absence of the function being performed (by the current incumbent) will result in detriment to core agency operations or service delivery.
- * Occupy a historically hard to fill position or profession. Example: Registered Nurses.
- * Incumbent earning significantly less than the market amount. Must be at least 10% below market for Maricopa county or applicable region.
- * Work in a classification with higher than average turnover (16.1% as of July 2017 Turnover Report).

**** If the employee is categorized as a supervisor or manager, describe how the leader demonstrated AMS leader behaviors to drive improvement, or at a minimum, how he or she used leader standard work, conducted regular gemba walks, or coached staff to drive improvement.**

Date

Note: The incentive award notice can be delivered in paper form or sent via e-mail.

Employee Name

Address

City, AZ Zip

Dear Employee:

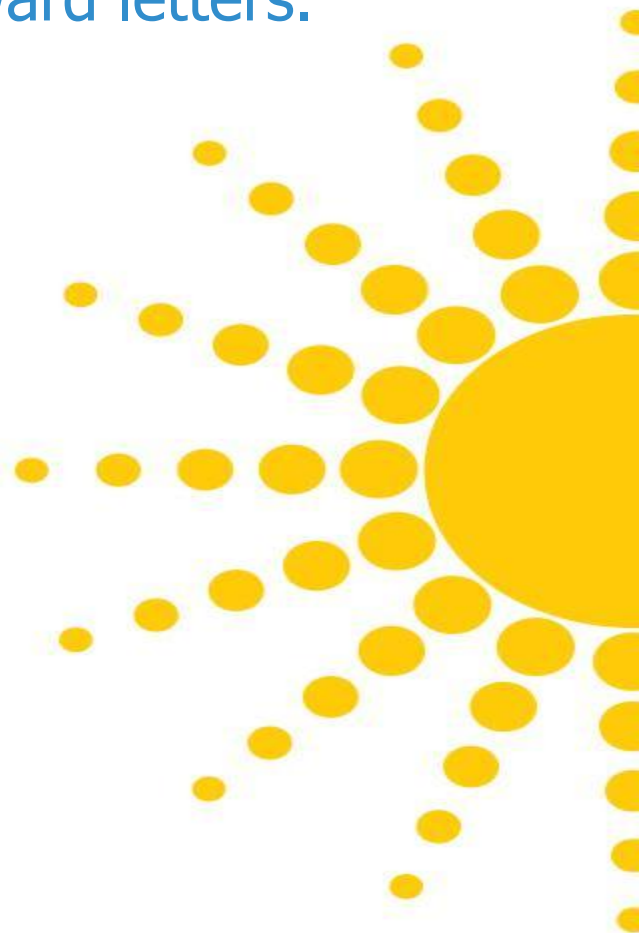
Congratulations! You have been recognized for outstanding or exemplary performance in daily work responsibilities or a special project! As a result, you will be receiving # hours of Meritorious Leave on your June 7, 2018 paycheck. This award is allowable under the State Personnel System (SPS) Compensation Guidelines for FY 2017.

Meritorious leave must be used within 12 months receipt and does not transfer to another state agency if you were to change agencies. Please plan accordingly.

[If you wish, add a personal message to the employee here recognizing a specific accomplishment or exemplary performance that contributed to this recognition.]

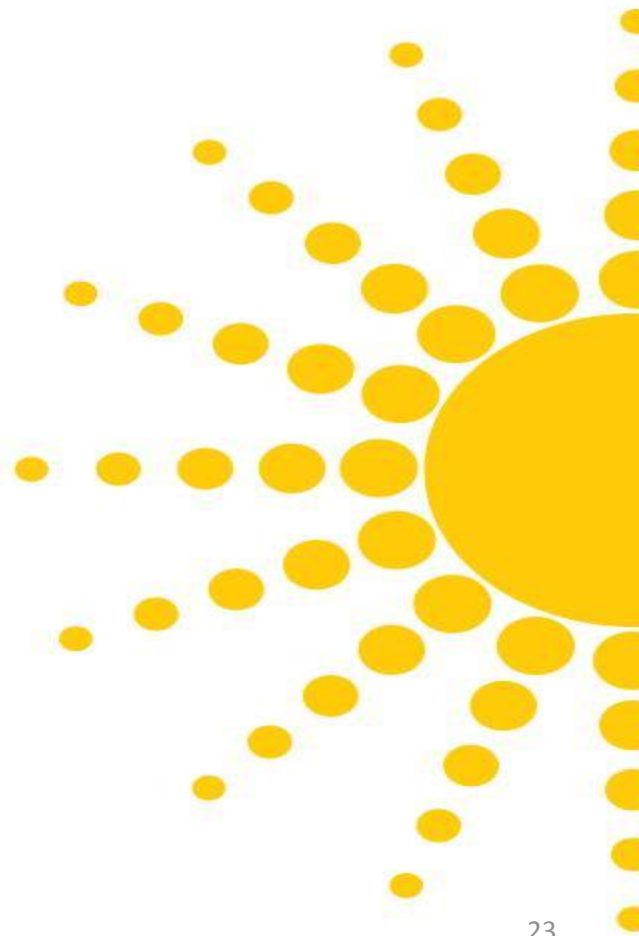
Employee salary, bonus and incentive matters are confidential information. As such, please refrain from sharing the information with your colleagues. If you have any questions contact AHCCCS Human Resources & Development at (602) 417-4589.

AHCCCS is very appreciative of your contributions to the agency. Thank you for all that you do.

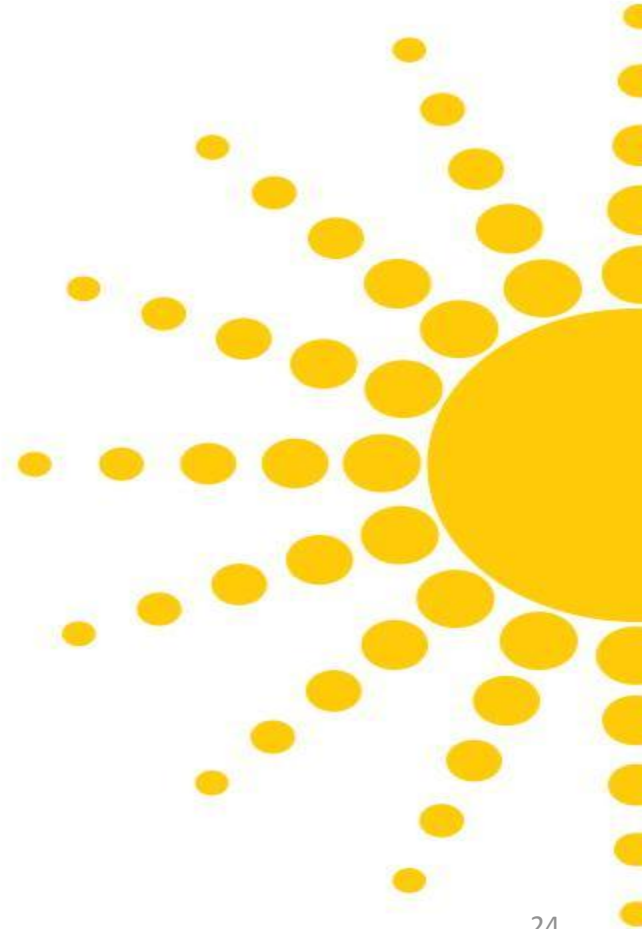


Questions!

If you are interested in templates, for information contained in this presentation, or have any follow-up questions, contact Lavonne at Lavonne.Rosales@azahcccs.gov or 602.417.4589.



Thank You.





Equal Pay Act Self-Audit

(Part 2 of ?????)



Equal Pay Act Self-Audit



Step 1: Conduct recruitment self-audit

Step 2: Evaluate your compensation system for internal equity

Step 3: Evaluate your compensation system for industry competitiveness

Step 4: Conduct new job evaluation system if needed

Step 5: Examine your compensation system, and compare job grades, scores

Step 6: Review data for personnel entering your company

Step 7: Assess opportunity for employees to win commissions and bonuses

Step 8: Assess how raises are awarded

Step 9: Evaluate training, promotion opportunities

Step 10: Implement changes where needed, maintain equity, and share your success

Step 2: Evaluate your compensation system for internal equity

1. Internal pay equity exists when employees perceive rewards are distributed fairly to those who perform similar work
2. Internal equity should equate to time in CURRENT job, not time at the State of Arizona
3. Internal equity doesn't mean that all employees are paid the same; it means that they are paid fairly in relation to other staff in the same role
 - a. Differences may be based on education, experience, years of service, or responsibility level

Step 3: Evaluate your compensation system for industry competitiveness

1. External pay competitiveness exists when employees perceive that they are being rewarded fairly in relation to those who perform similar work in other companies
 - a. Key responsibilities and goals of the jobs must be comparable to the survey role
 - b. Data cuts should be appropriate
2. Use established salary surveys to compare salary information in our labor market
3. Are there recruiting issues?
 - a. Is there DATA that validates a compensation issue?
 - b. Is there also a retention issue?
 - c. Are exit surveys utilized and acted upon?

Step 5: Examine your compensation system, and compare job grades, scores

1. Classification reform includes a review of the job classes and the pay associated with each
 - a. This review did not use a score system, but compared KSA's to market
 - b. This review also includes the dual career path (DCP), providing a career strategy as part of the total rewards package offered by the State
2. Prior to implementation of this project, C/C team has the ability to assist with a review of market and movement to the DCP
 - a. Limited availability
 - b. Data must show need
3. What other drivers can be reviewed if there is a recruitment/retention issue?
 - a. Supervisors
 - b. Work/Life Balance
 - c. Overtime Demands
 - d. Flexible Schedules
 - e. Apply Equally within Class

Practical Steps

- Gather the Data
- Evaluate the Data using Different Lenses
- Determine Whether an Issue Exists
- Develop Potential Solutions
- Address the Issue
- Avoid Future Complicity



Grades, Ranges, Widths
Oh My...



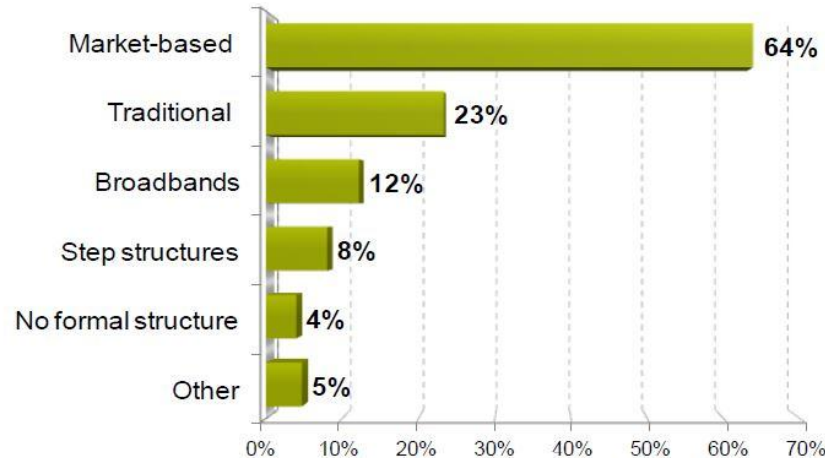
Salary Structures – The What, The Why



Types of Salary Structures

- **Market-based salary structures** were the most common type of salary structure used by survey participants (64%) for U.S.-based employees.
- While **traditional and broadband structures** have been more popular in the past¹, 23% and 12% of organizations today use traditional and broadband structures, respectively.

What type of salary structure(s) does your organization use today for its U.S.-based employees? (Check all that apply) (n=910)

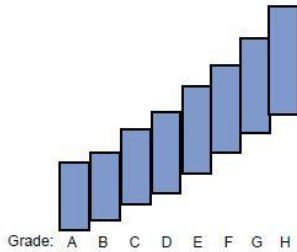


¹ Gregory Stoskopf, "Choosing the Right Salary Structure for your Organization (2002)"

Salary Structure Definitions

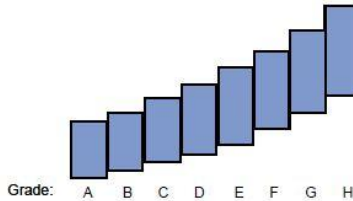
Market Based Salary Structure

Range Spread: 30% - 80%
Midpoint Differential: 10% - 15%



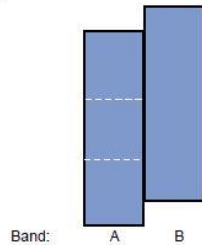
Traditional Salary Structure

Range Spread: 20% - 40%
Midpoint Differential: 5% - 10%



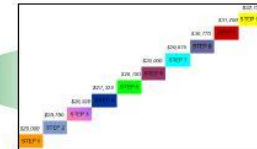
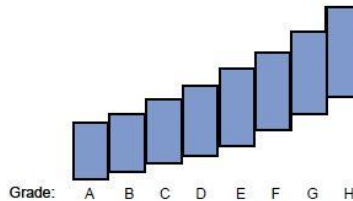
Broad-band Structure

Range Spread: 80% - 200%
Midpoint Differential: 20% - 25%



Step Structure

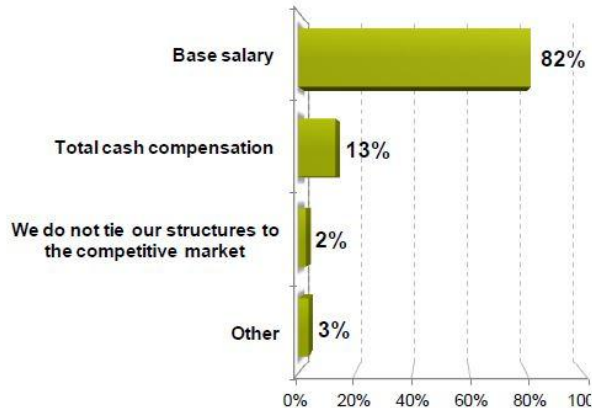
Range Spread: 20% - 40%
Midpoint Differential: 5% - 10%



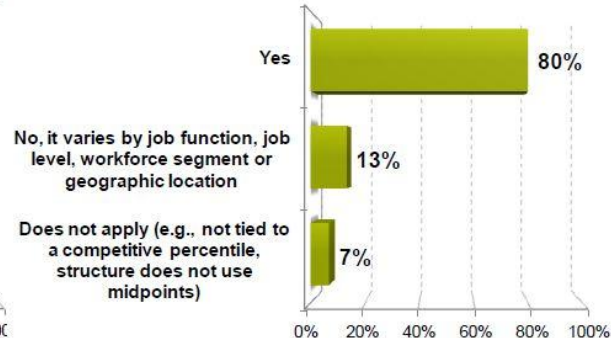
Competitive Positioning

- 82% of survey participants base their competitive positioning on **Base Salary**, as opposed to 13% who base competitive positioning on **Total Cash Compensation**
- 80% of survey participants responded that they use a **consistent** competitive percentile for midpoints; of these participants, 90% target midpoint at the **50th percentile (median)** of the market and 5% selected the **60th percentile** of the market.

For your organization, is the competitive percentile based on: (n=773)



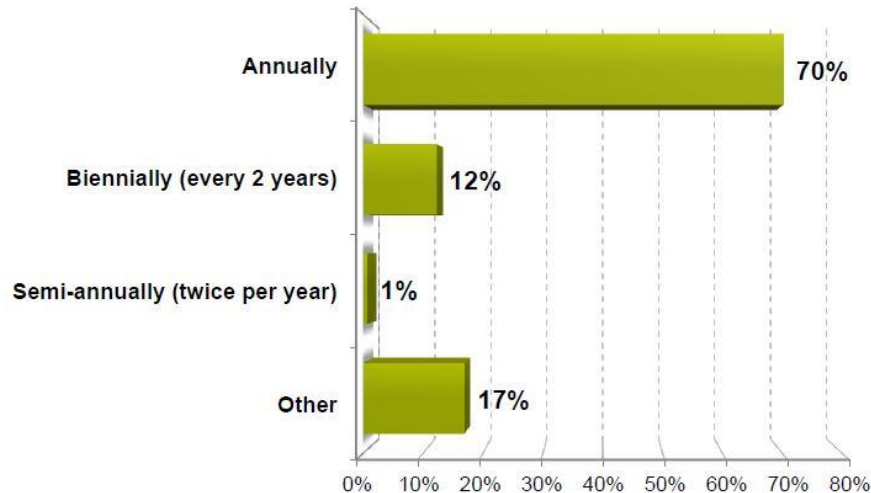
Are midpoints tied consistently to a single competitive percentile of the market? (n=775)



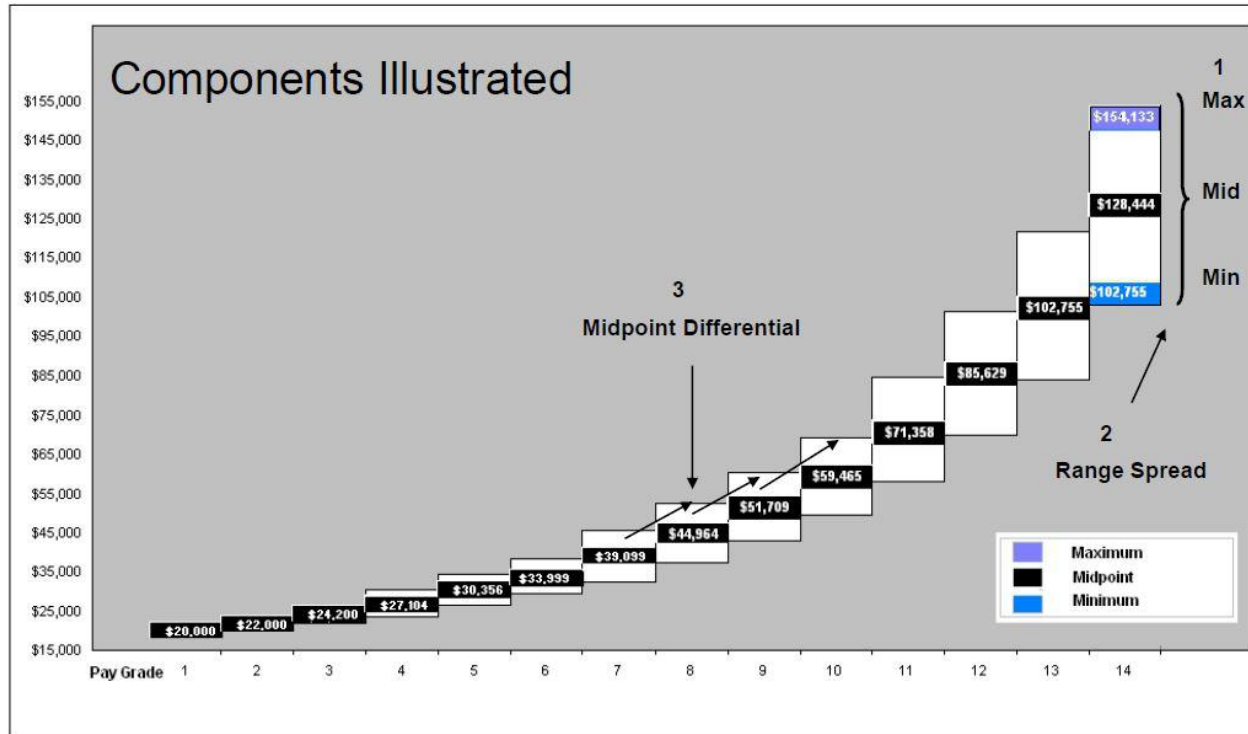
Frequency of Update

- 80% of survey participants responded that they adjust their salary ranges at a **consistent** frequency in their organization; of these participants, 70% adjust their salary ranges on an **annual basis** and 12% adjust their salary ranges **every 2 years**.

How often are salary ranges adjusted? (n=615)



Introduction to salary structures



Introduction to salary structures

- Range Spread – the width of a pay range measured by the *ratio* of *maximum* pay to *minimum* pay

$$\frac{(\text{Range Maximum} - \text{Range Minimum})}{\text{Range Minimum}}$$

$$\frac{(25,000 - 20,000)}{20,000} = 25.0\%$$



Introduction to salary structures

- Midpoint Differential – the **difference** between **midpoints** of two adjacent grades expressed as a **percent**



$$\frac{(\text{Higher Midpoint} - \text{Lower Midpoint})}{\text{Lower Midpoint}}$$

$$\frac{(45,000 - 40,000)}{40,000} = 12.5\%$$

Pick a number

The first decision you need to make is the range spread. Do you want it to be 25%, 50%, 75%, or even more? It's important to be consistent in how the range spread is calculated across job types. For example, nonexempt jobs could have a range spread of 25% or 30% and exempt jobs could have a range spread of 40% or 50%. Here's a sample of one way to designate range spread for all jobs within an organization:

- Manufacturing or service jobs – 20% to 30%
- Clerical or technical jobs – 30% to 40%
- Supervisory or professional jobs – 40% to 50%
- Management or executive jobs – 50% or more

The key is to pick one range spread rate for each job type in your organization, document it, and be consistent in how it is applied when setting the salary range for each of the jobs in a given job type.

Do the math

Let's use 50% as our range spread. In this case, the midpoint of our range is \$135,500. To find the minimum, divide the market rate by $1.00 + \frac{1}{2}$ of the range spread.


To find the maximum, multiply the minimum times 1 plus the range spread.

This creates a salary range that has a minimum of \$108,000, a mid-point of \$135,500, and a maximum of \$162,000.


This simple formula can be used to establish a salary range for any job based on the mid-point of available salary market data.

$$\begin{aligned}\text{Minimum} &= \frac{\text{Midpoint}}{1 + \left\{ \frac{\text{Desired Range Spread}}{2} \right\}} \\ &= \frac{135,500}{1 + \frac{0.50}{2}} \\ &= \frac{135,500}{1.25} = 108,000\end{aligned}$$

$$\begin{aligned}\text{Maximum} &= \text{Minimum} \times (1 + \text{Range Spread}) \\ &= 108,000 \times (1 + 0.50) \\ &= 108,000 \times 1.50 \\ &= 162,000\end{aligned}$$



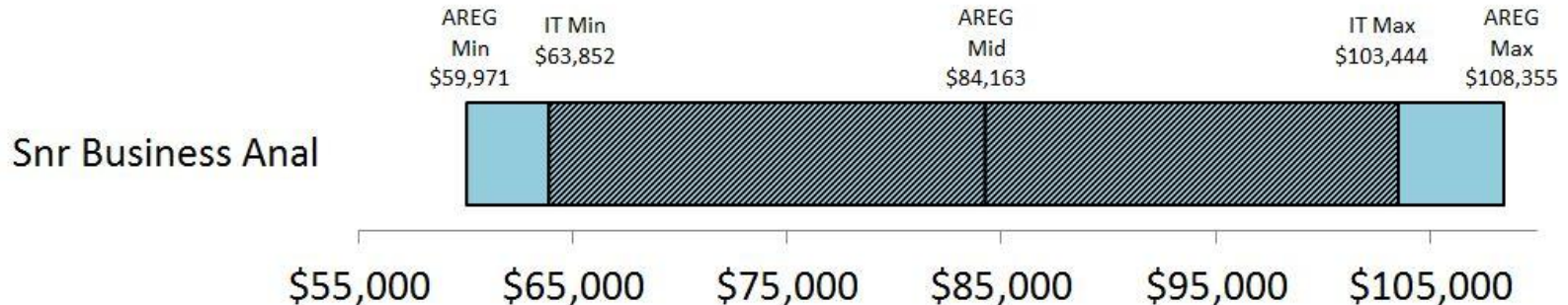
“If ADOA establishes the salary structure (grades, ranges, widths, differentials) why should I care?”



Job Code	Full Title	Agency	☐	Schedule	Grade	Hourly Min	Hourly Mkt	Hourly Mid	Hourly Max
S10004	Applications Architect		☐	S10004	29	\$24.6736	\$37.5000	\$50.6272	\$60.7568
S10002	Applications Developer		☐	S10002	26	\$19.2400	\$29.6008	\$39.9568	\$47.9440
S10006	Applications Development Manager		☐	S10006	29	\$34.1328	\$40.2422	\$54.3296	\$65.1872
S10007	Applications Development Sr. Manager		☐	S10007	30	\$26.2496	\$43.1268	\$58.2192	\$69.8672
S10005	Applications Development Supervisor		☐	S10005	29	\$30.6800	\$38.7989	\$52.3744	\$62.8576
AUN08355	Archeological Project Specialist		☐	AREG	19	\$16.0746		\$22.4153	\$28.7560
AUN03510	Architect		☐	AREG	20	\$17.6992		\$24.6736	\$31.6479
AUN06355	Architect, Senior			AREG	23	\$22.5635		\$31.5119	\$40.4603
AUN08221	Archives Assistant		☐	AREG	15	\$12.2634		\$16.9236	\$21.5838
AUN08222	Archivist		☐	AREG	19	\$16.0746		\$22.4153	\$28.7560

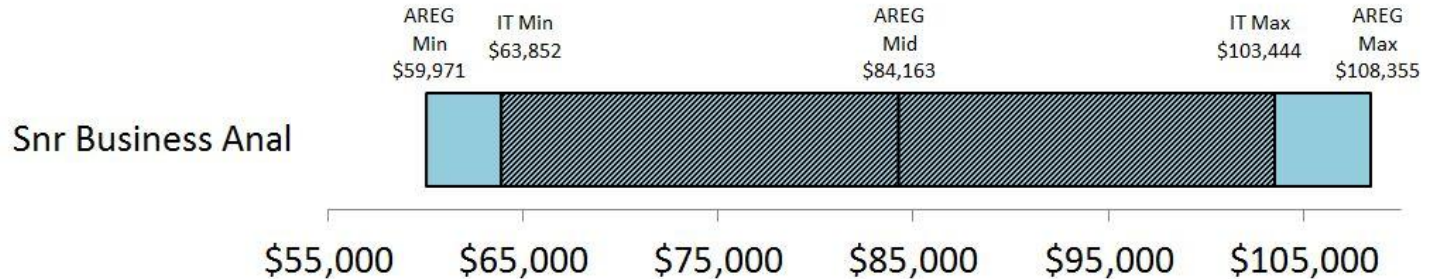
IT Salary Schedule conversion...

- We are going to transition from the IT Salary Ranges back to AREG standard
 - Senior Business Analyst - S10009 - Grade 26 (Min, Market Min, Mid, Max)



Your agency may want to restrict the range?

- Agency Practice (*hypothetical example*)
 - Agency will pay a 5% premium for IT Business Analysts
 - Agency wants a range 50% wide
 - Midpoint = $\$84,163 * 1.05 = \$88,371$
 - Min (use the formula shown) = $\$70,697$
 - Max = $\$106,045$





Roundtable



Demotions

DNU_List

Hiring Grids

Resources

June 26

Arizona Total Rewards Association: Lunch & Learn on Market Pricing

www.aztotalrewards.com

\$25 includes lunch

***Registration closes at noon
on Thursday (June 21)***

August 2

Arizona Total Rewards Association: One-Day Conference (with Compensation Track)

www.aztotalrewards.com

\$180 (non-member)

\$145 (member)

Questions???



AZ COMPENSATION NETWORK

Next Meeting

Tuesday, June 19th 1-3pm

ADOA Room 300

Registration will be via TraCor